THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI SATPAL MAHARAJ): (a) No, Sir. The work is expected to be completed in the 10th Five Year Plan period, subject to availability of resources.

(b) Rs. 2.00 Cr. has been provided in the Budget 1997-98.

(c) Constraint of resources.

[Translation]

Production of Iron Ore

6415. DR. MAHADEEPAK SINGH SHAKYA:

SHRI NITISH KUMAR:

Will the Minister of STEEL be pleased to state:

(a) whether in view of the existing iron ore deposits in the country, India occupies fourth place among the iron ore producing nations in the world;

(b) if not, the assessment of the Government in this regard;

(c) whether the cost of production of iron ore is much less in our country in comparison to other countries of the World; and

(d) if so, the average cost of production of iron ore in India and other countries for the last three years?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) and (b) India occupies Sixth position in the world in terms of reserves of iron ore. As per available information, India was the fifth largest producer of iron ore in the world during 1995.

(c) and (d) The cost of production of iron ore depends upon factors such as technology, quality of iron ore, extent of processing required, geological factors etc. However, as per available information, India is the lowest-cost producer of iron ore in the world, particularly of high grade iron ore.

[English]

Production of Steel

6416. SHRI SURENDRA YADAV:

SHRI NITISH KUMAR:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that a scheme, namely, Memorandum of Understanding was signed between 29th April 1994 and 30th May, 1994 under which 75% of the total production of the Steel Authority of India Ltd. was to be given to selected 100 institutions of the private sector;

(b) if not, the facts in this regard;

(c) whether it is also a fact that soon after signing the Memorandum of Understanding, the Steel Authority of India Ltd. announced hike in the prices of their products but the above 100 selected institutions remained unaffected by that price rise; and

(d) if so, whether the SAIL have incurred a loss of nearly Rs. 500 crores due to this and if not the facts in this regard?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) and (b) About 42 Memoranda of Understanding (MOU) were signed between 29th April, 1994 to 30th May, 1994 for a total quantity of approximately 12,83,105 MT. Out of these 42 customers one was a public sector. MOU with two customers covering 96,400 MT was cancelled subsequently. It is, therefore, not correct that 75% of the total production sold was given to selected institutions.

(c) and (d) Most of the MOUs contained firm price clause upto 31.12.1994 while in the remaining few, prices were firm upto 31.3.95. This was done, by SAIL, as a matter of commercial strategy to keep the price firm for a limited period against an assurance from the customers for guaranteed off-take covering a sizeable amount of the production. This has helped SAIL to develop a dedicated clientele for each product. It is an accepted business practice to have a fixed price under contracts where customers are prepared to have an understanding with the producer for supplies on a long term basis.

[Translation]

Airports in Border Areas of Rajasthan

6417. SHRI TARACHAND BHAGORA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government propose to construct separate airports for the civil air services in the International Border areas of Rajasthan; and

(b) if so, the names of the cities where the said airports are proposed to be constructed?

THE MINISTER OF CIVIL AVIATION (SHRI C.M. IBRAHIM): (a) No, Sir.

(b) Does not arise.

[English]

Functioning of Nagpur Telephones

6418. SHRI BANWARI LAL PUROHIT: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the functioning of Nagpur Telephones has been deteriorating day by day;

(b) if so, whether the telephone subscribers have to lodge their complaints a number of times to get their lines in order;

(c) whether the behaviour of the employees of